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Questioning Old Certainties Challenges for Africa-EU relations in 2012

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ECDPM's annual Challenges Paper seeks to identify important debates that can be expected in the coming year and beyond and to sketch the backdrop against which these will unfold. The aim is not to predict outcomes, but to situate debates that concern Africa-EU relations so as to facilitate as wide a stakeholder engagement as possible.

Changes on the African continent and in the European Union (EU) have occurred at a dramatic pace in recent months. Taking a step back, a picture emerges of deep underlying shifts, affecting many of the agreements and policy instruments linking the two continents across the Mediterranean. These will clearly also have a major impact on wider EU relations with the ACP and the reform that is expected there as we approach the 2020 end of the Cotonou Agreement. But 2011 has been a key year for Africa and for the time being it is appropriate to dwell on the more specific Africa-EU relationship.

In Europe, the financial crisis raises uncertainty about the strength of the EU's foundations. Parts of Africa, meanwhile, are witnessing vigorous growth and increasing moves towards democracy. The contrast between the two images is increasingly marked. Added to this, Europe is putting in place a new institutional architecture following the Lisbon Treaty, and in North Africa the Arab Spring is mounting a challenge to poor governance. The scene that emerges is thus an uncertain one for political interaction between the European bloc of 27 states and Africa's 54 countries.

This paper highlights key issues and fora to watch in 2012, when many of these issues will play out. After a brief description of the context, it sketches the scene through three lenses in turn. The first is the Lisbon Treaty's emphasis on values in EU external

action such as human rights, democracy and the rule of law. The second lens is that of changes in Africa and what this is likely to mean for Africa's relations with its northern neighbour. The third lens is Europe's newfound boldness in advancing its own interests externally and how this might affect EU relations with Africa. A question repeatedly asked throughout this paper is whether the overall goal of advancing Europe's interests is reconcilable with the values that the EU is committed to pursue.

Crisis in Europe

Dynamics unleashed by the financial crisis, the EU's new post-Lisbon structures and Africa's rising power permeate most interactions between the two continents. The euro zone is grappling with the monetary crisis. Regardless of how it is settled, austerity measures will probably stifle growth and employment in the coming years. Already the effects of budget tightening are visible in EU development assistance. In a bow to the stringent economic climate, the European Commission (EC) refrained this year from tabling its traditional proposal to bring the European Development Fund (EDF) into the EU budget. With member states adamant on keeping EU spending in check, some interpreted this as a bid to avoid deeper budget cuts.

In Brussels, the EU architecture set out in the Lisbon Treaty is taking shape. The

European External Action Service (EEAS), after one year of existence, is finding its place among Europe's institutions. The European Parliament (EP), now on equal footing with the Council of the EU in a number of areas, is making its voice heard. Some trends are emerging. For example, promotion of human rights abroad is more central, rhetorically at least, as the Lisbon Treaty elevates it to an overarching aim of EU external action.

The increasing assertiveness of the BRIC countries (Brazil, Russia, India and China) is being felt on the international stage. A major topic of discord in global forums is the limits and adequacy of foreign intervention. Frictions at the World Trade Organization (WTO), in the G20, in climate change negotiations, and at the Busan High Level Forum on Aid Effectiveness all point to increased interstate rivalry. The EU's emphasis on 'differentiation' in its development policy and trade, is a clear example of Europe rethinking its approach to the emerging south.

Growth in Africa

In Africa a new and very different context is emerging. A sense of Afro-optimism is clearly discernible. The political transitions initiated in North Africa continue to inspire others abroad, and there is promising new momentum for regional integration. Africa's new partners have given it added leverage in international negotiations, also reinforcing the continent's self-confidence.

Investors speak of Africa as ‘the last frontier’. A recent report¹ by Ernst and Young describes the increased appetite among the business community for investing in Africa. Africa could well maintain its current rate of growth, thanks to improved macroeconomic management, investment inflows from emerging economies, and high prices in some raw materials markets.

The numbers, however, hide important differences. They also obscure many structural problems. Inequality, youth unemployment, overreliance on raw materials exports and corruption are a few examples. The rapid economic growth has been criticised as not inclusive enough. Some of the fastest growing sectors are poorly linked to the rest of society. There are still many fragile states with poor levels of governance and widespread structural poverty. The slow progress towards the Millennium Development Goals testifies to the difficulty of transforming economic growth into sustainable development.

Democratic transitions are still fragile, but they bear real promise for improved governance, democracy and accountability. The Arab Spring has taken many by surprise on both continents. Longstanding relationships relying on illegitimate power structures have come to an end, and new alliances have to be found. North African citizens now hold their countries’ futures in their own hands. This has put the African Union through a serious governance ‘stress test’ and it challenges authoritarian regimes across the continent. It has also changed the way the EU and a number of its member states conduct their affairs in the region.

Challenges

Emphasis on values in EU external action

EU external policy is undergoing a reorientation. It will place more emphasis on promoting ‘European values’, such as human rights, democracy and the rule of law. The shift will become increasingly tangible in 2012. Advocates of a strong value component in external action, such as the EP and the EEAS, have seen their

position strengthened by the Lisbon Treaty. Abroad, the Arab Spring has both vindicated and spurred on this orientation. The extent to which the EU can sustain its commitment to values and their practical feasibility is yet unknown. In EU policy towards Africa in particular, the more values-based approach is evident in five major areas: the modernisation of development policy, the revision of the European Neighbourhood Policy, the changing face of budget support, the reform of EU trade preferences, and the review of the Joint Africa-EU Strategy (JAES).

Modernisation of EU development policy

A clear example of the values-driven approach is the development policy agenda presented by the EC in its October 2011 communication ‘An Agenda for Change’.² In this document, the EC proposes that EU aid focuses more on support for human rights, democracy and good governance, as well as inclusive and sustainable growth for human development. In practical terms, emphasis on such values is likely to translate into more conditionality and increased governance support. The communication’s attention to inclusive and sustainable growth is in line with the global development discourse, which emphasises the need to create jobs and wealth. It is also coherent with the greater emphasis on values that is evident in the bilateral policies of EU member states.³ To achieve a values-driven approach, the EC has suggested programmes to support health and education, the business environment, agriculture and energy. Additionally, it seeks to step up Aid for Trade (AfT) activities and increase the blending of loans with grants in order to leverage other financial resources.

The EC has also proposed a more differentiated approach to aid allocations and partnerships. This implies that more advanced developing countries would no longer receive grant aid. Types of cooperation (going beyond aid) are to be better tailored to the circumstances in the EU’s partner countries and regions. While the EC continues to stress the importance of coherence among EU policies, it gives no indication of how it will strengthen policy coherence for development in practice. There are no indications of how clashes between development policy and, for example, trade policy might be resolved. In other words what balance can we expect between values and interests?

In terms of the calendar, EU member states are currently discussing the proposed development agenda. A response is expected as part of the Council Conclusions of May 2012. This, in turn, will provide the policy basis for the external action financial instruments in the next EU budget – the Multi-annual Financial Framework (MFF) 2014–2020. Putting the new policies into

‘In its relations with the wider world, the Union shall uphold and promote its values and interests’

Treaty on European Union, Art. 3.5

effect, and the reconciliation of values and interests that will be necessary for successful implementation of the rhetoric, should then follow. Judging from the current widespread gaps between policy and implementation, this will be a major challenge.

Reviewing Europe’s Neighbourhood Policy

Revision of EU policy towards North Africa in the wake of the Arab Spring is another illustration of Europe pushing values by linking aid to good governance. The 2010–2011 review of the European Neighbourhood Policy recognises the EU’s failure to support reform in the Southern Mediterranean.⁴ Its conclusions call for responses that are more flexible and tailored, reflect the reality in partner countries, and are based on a ‘shared commitment to the universal values of human rights, democracy and the rule of law’. This is a considerable step up from the previous weaker wording, which speaks of ‘working towards’ greater respect for these principles.⁵

The new EU policy towards North Africa is ‘incentives-based’. ‘More for more’ is its underlying principle. Countries that reform ‘more’ will have more access to benefits. These may include funding for social and economic development and institution building, market access, and facilitation of mobility.⁶ For countries that do not progress towards the values that Europe holds dear, the EU plans to reconsider and possibly reduce funding.

In tandem with its revised Neighbourhood Policy, the EU has introduced two new programmes in support of state and non-state actors in its southern neighbourhood.

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| <p>October</p> <ul style="list-style-type: none"> Communication on the modernisation of EU development policy, ‘An Agenda for Change’ (13 Oct) EU Strategy for Security and Development in Sahel adopted (10 Oct) Joint Africa-EU Task Force Meeting, Addis Ababa (19 Oct) Elections in Tunisia (23 Oct) | <p>November</p> <ul style="list-style-type: none"> G20 summit, Cannes (3-4 Nov) EU Strategic Framework for the Horn of Africa adopted (14 Nov) 9th AU-EU Human Rights Dialogue 4th High Level Forum on Aid Effectiveness, Busan (29 Nov - 1 Dec) Elections DRC (27 Nov) Elections in Egypt begin (28 Nov) | <p>December</p> <ul style="list-style-type: none"> COP17 Conference on Climate Change, Durban (29 Nov-9 Dec) Polish Presidency presents report on the MFF (5 Dec) EC presents legislative proposals for a Pan-African programme (7 Dec) European Development Days, Warsaw (15-16 Dec) | <p>General Events</p> <ul style="list-style-type: none"> Adoption of the Multiannual Financial Framework (2012) |
| 2011 | | | 2012 |

The first, the Neighbourhood Civil Society Facility, supports 'partnership with societies' programmes led by non-state actors. The second, the 'SPRING Programme' (short for 'Support for Partnership, Reform and Inclusive Growth')⁷, includes a promise of € 22 million to support political parties, trade unions and NGOs through the European Endowment for Democracy and initiatives to strengthen media and human rights dialogue. Operational issues related to these policies will be ironed out in the course of 2012 in the context of discussions on the EU budget 2014–2020.

The EU has set an ambitious agenda in North Africa. But it will need to learn from past mistakes. The aims of promoting democracy and human rights have long been part of EU policy towards the area. But incoherence in foreign policy has limited the impact of its endeavours, something the EU itself recognises.⁸ The EU High Representative has already appointed an EU Special Representative (EUSR) for the Southern Mediterranean region, Bernardino León. This indicates a clear aim to increase coherence in EU external action there. The challenge is a dual one: ensuring coherence across the actions of the different EU member states and ensuring that the EU as whole balances advancement of its values with policy interests in other areas.

The changing face of budget support

The values agenda is now more apparent than in the EU's shifting policy on budget support. An EC communication in October 2011 introduced new principles on budget support that, yet again, face the challenge of marrying values with operational realities. Budget support is no longer to be viewed as the 'preferred' modality. Even more significant is the proposal to tie budget support to partner countries' commitment to the 'fundamental values of human rights, democracy and rule of law'. Steps towards these values would thus become a condition for receiving budget support. Many in the EU view this as a key 'contractual' principle on which relations with partner countries will be based. This is reflected in a new name for general budget support, the 'Good Governance and Development (GGD) Contract'.

Similarly, the EC has proposed greater emphasis on improving frontline service delivery in developing countries and strengthening in-country systems and institutions. Partner countries that fail to meet the requirements set under the GGD Contract may be offered sector budget support, now renamed the 'Sector Reform Contract'. For fragile states, support to state building would be formalised under a 'State-building Contract'. Any deterioration in a partner country's situation could result in a review of the 'contract'.

The feasibility of implementing this proposal is as yet uncertain. A key question is what criteria can be used to assess partner countries' compliance with the 'shared value' of good governance. Any perception of subjectivity would have to be minimised. The legitimate question of *whose* values the EU is speaking of will certainly arise.

More for more in trade: The GSP+ reform

The 'more for more' concept affects EU trade policy as well. The Generalised System of Preferences (GSP), the EU's flagship tool to link trade and development comprises a special arrangement for supporting sustainable development, the GSP+. It provides deeper tariff cuts for vulnerable countries in exchange for their observance of 27 international conventions covering aspects of sustainable development.

The GSP+ is the only component of the GSP that is set to become more generous in 2014, when the latest revisions come into effect.⁹ GSP+ benefits will become easier to access, and its 'graduation' mechanism, meant to remove preferences as soon as a product becomes too competitive, will be abolished. In short, the EU will be more generous to countries that observe internationally defined norms and values and improve their governance in the process. But the European EC has warned that it will be tougher in monitoring compliance with the conventions. Details of the monitoring mechanisms are yet to be fleshed out, but we do know that the burden of proof will be reversed. Applicant countries will now have to prove that they are making their best efforts to implement the agreements.

The EP still has to endorse the proposal, but it is largely supportive of an approach that makes preferential market access conditional on adherence to international

norms. The challenge, here again, lies in the EU equipping itself with the right tools to achieve this ambition.


Review of the Joint Africa-EU Strategy

The Joint Africa-EU Strategy (JAES) is another case of values seeming to conflict with interests and implementation falling short of ambitions. The JAES, based on the core value of an equal partnership between the two continents, has clearly lost some momentum on the European side. The transition to new EU institutional structures has played a role in this slowdown. The EEAS now has responsibility for the overall political dimension of the JAES, for the Peace and Security Partnership, and co-coordinates the Partnership on Democratic Governance and Human Rights. However, the EEAS seems to be setting other priorities for EU-Africa relations that are less comprehensive and more regionalised.

EU member states have shown little buy-in to the JAES and its values of co-ownership, inclusiveness beyond institutions, joint political interest, and support for African problem-solving. A number of the JAES's eight partnerships have stalled. The Partnership on Peace and Security is by far the most advanced.

The Europeans, aware of these impediments, started a review of the JAES in early 2011. The overall aim was to learn how the JAES might be made more operational and to gain more buy-in from within Europe. The review also looked for ways to free up and use untapped potential, based on the assumption that Europe has much to offer Africa and vice versa. The EU is expected to communicate the conclusions of this review to the African side in January 2012.

Lack of support for the JAES within Europe is mirrored in Africa. A similar review might therefore be useful on the African side and it is a shame that parallel assessments were not possible. Reading between the lines, however, the EU review has had several primarily European purposes: determining where the JAES and its values fit among the new EU priorities for external action; deciding where to place Africa within the new EU institutional structures; and assessing how the current political-economic climate within Europe affects Africa-EU relations. The EEAS, for its part, seems keen to propose a 'new' framework

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| <p>January/February</p> <ul style="list-style-type: none"> Summit of the African Union: Boosting Intra-African Trade, Addis Ababa (23-30 Jan) European Parliament votes on the GSP proposal (January) Elections in China (January) African Sub-regional Aid For Trade and Business Event, Addis Ababa (28 Feb) <p> Danish EU Presidency</p> | <p>March</p> <ul style="list-style-type: none"> NEPAD conference on young people, farming and food: Future of the Agrifood Sector in Africa (19-21 Mar) Meeting of the Joint Africa-EU Task Force, Brussels BRICS Summit, India | <p>April</p> <ul style="list-style-type: none"> Elections in France (6 Apr) 13th UN conference on trade and development, Doha (21-26 Apr) European Parliament issues report on the CAP proposals Launch of European Report on Development (ERD) 2011-2012 | <p>May</p> <ul style="list-style-type: none"> NEPAD MDG Review Exhibition and Summit, Cape Town (3-4 May) EU Foreign Affairs Council meeting to decide on the modernisation of the EU development policy (Agenda for Change and Budget Support) 8th India, Brazil and South Africa (IBSA) Trilateral Commission Meeting, New Delhi CAADP Partnership Platform Meeting, Addis Abeba |
| 2012 | | | |

for the EU relationship with Africa¹⁰ while the EC's Development and Cooperation Directorate-General Europeaid (DEVCO) just proposed a Pan-African Programme,¹¹ a dedicated financial envelope to implement the JAES' objectives.

Upholding EU values abroad

Strengthening the values orientation of European external action is a clearly positive move. But it is also one that faces substantial obstacles. How will the EU ensure coherence between what it does and what its member states do? How will it even reconcile the different EU policy areas and institutions? Can it produce effective instruments, beyond conditionality, to support and promote democratisation, keeping in mind that any direct link between democracy and economic growth is put into question by some emerging players' growth rates? What will happen if values come under pressure from interests in terms of trade, security, or energy? How can Europe gain buy-in from the African side without being perceived as an unwelcome meddler yet again attempting to influence internal politics? All of these questions remain unanswered, and all are cast in a new light by Africa's new confidence.

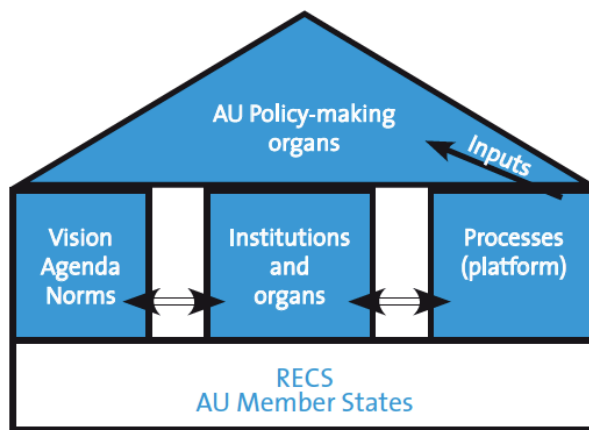
Africa on the move

Developments in Africa cannot be ignored. Setting aside Europe's own internal issues, the partner that Europe has in Africa is changing fast. Traditional approaches towards the continent must be reconsidered if Europe is to maintain a productive relationship into the future. Whether it be governance, peace, trade, resource mobilisation or food security, African movements towards self-reliance are gaining speed, though they are not without challenges.

The African Governance Architecture

Governance values are an issue on which Africa is increasingly taking the lead. The African Union (AU) has invested years of work in establishing and connecting various organs concerned with governance on the continent. These efforts culminated in January 2011 at the AU Summit in Addis Ababa which focused on shared values between African countries. There, African heads of states mandated the AU

Figure 1: The African Governance Architecture (AGA)



Source: Adapted from AUC (2011).¹³

Commission to establish a pan-African governance architecture with the purpose of 'enhancing policy dialogue, convergence, coherence, and harmonization amongst AU Organs, institutions and member states as a way of speeding up the integration process on the continent'.¹²

Having a set of instruments in place to stimulate good governance is not an end in itself. As the Summit Declaration recognises, the continent still faces many challenges in 'promoting, ratifying and domesticating' instruments of shared values. To overcome these, it urged the AU Commission establish an ongoing review of progress in implementing the instruments.¹⁴

Thus, African countries appear to be aware of the challenges they face in complying with these governance standards. Launching a review to assess progress in instituting shared values would be a clear boost to regional integration. It would also provide an opportunity for Africa to establish a continent-wide yet country-specific, systematic, self-owned governance assessment tool.

The African Peace and Security Architecture

With the African Peace and Security Architecture (APSA), the continent is stepping up efforts to address the problem of violent conflict.¹⁵ The African Union has a

track record of mediation and consultation in conflict. Its mandate in this area was strengthened when African leaders adopted Article 4 of the AU Constitutive Act allowing AU intervention 'in grave circumstances, namely war crimes, genocide and crimes against humanity'.

To function fully, however, the APSA is reliant on cooperation between the African Union and the regional economic communities (REC) on the continent. The economic communities play an equal and active part in the Peace and Security Council (PSC), and they are a key

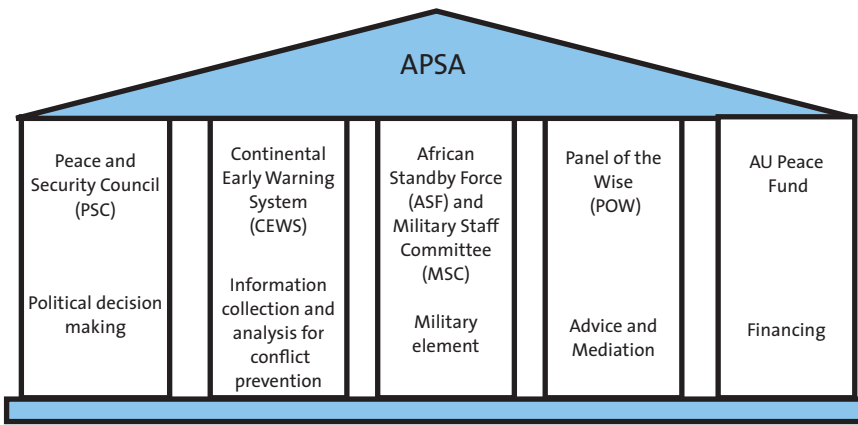
supporter of the Continental Early Warning System (CEWS) and the African Standby Forces (ASFs).

In the recent crisis in Libya, the APSA proved unable to exploit its potential to manage conflict on the continent. Lessons can be learned from this experience, on the African side as well as on the side of the international community, which sidelined a less speedy APSA-led approach.

A relevant question is whether the international community, Europe in particular, is committed to support the APSA politically and to strengthen African ownership on the issue. Financially at least, the APSA remains dependent on contributions from external actors. The EU is its largest donor, having already provided € 445 million through the 9th EDF. Europe recently earmarked an additional € 600 million for capacity building and Peace Support Operations (PSO) of the 10th EDF.¹⁶ With these contributions comes political clout. Once PSOs are authorised by the UN Security Council their funding from the EU's African Peace Facility is contingent on the approval of the EU Council. If economic growth enables African states to increase their own funding of the mechanism, the APSA would have more independence in decision making.

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| <p>June</p> <p>UN Conference on Sustainable Development Rio+20, Rio de Janeiro (4-6 Jun)</p> <p>G20 Summit under the Chairmanship of Mexico, Los Cabos, Baja California</p> | <p>July</p> <p>European Parliament votes on EPA Market Access Regulation 1528 (2 July)</p> <p>1st reading of the CAP (2nd semester 2012)</p> <p> Cypriot EU Presidency</p> | <p>August/September</p> <p>Elections in Kenya (14 Aug)</p> <p>European Parliament votes on draft CAP reports</p> | <p>October</p> <p>LPI High Level Forum on Foreign Direct Investment in Land in Africa, Zambia (5 Oct)</p> <p>Adoption of the Manual on Transfer Pricing Guidelines at the UN Tax Committee Annual Session (15-19 Oct)</p> |
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Figure 2: The African Peace and Security Architecture (APSA)



The setting up of the APSA is also behind schedule. In principle, the AU Peace and Security Council can instruct the APSA standby forces on actions that it deems necessary. However, this autonomy is curtailed by practical constraints: lack of capacity, limited technical expertise, unpredictable and unsustainable funding, and lack of coordination and cooperation.

Of the five regional standby brigades,¹⁷ NASBRIG in Northern Africa is the least developed due to past rivalry for regional leadership between Egypt, Algeria and Libya. Other regions have more successful track records, in peacekeeping (ECOWAS), mediation (SADC) and early warning (IGAD). The political changes under way in North Africa offer a new chance to commit to the APSA. Strengthening the framework could benefit the future stability of the region.

Peace and security has repeatedly been singled out as the most pressing issue on the continent. This topic receives more donor attention and funding than any other policy realm at the pan-African level. Changes in both Europe and Africa have opened a window of opportunity, and steps should be taken now to ensure that it is not missed. The aim is to enable the APSA to unfold its full potential and equip the continent to address its own conflicts. A functional APSA could furthermore reduce that likelihood of African approaches being sidelined by alternative modi operandi by external actors in the future.

Development effectiveness

Africa's drive for self-determination is clear in its contributions to the aid effectiveness debate. Since the establishment of the New Partnership for Africa's Development (NEPAD) in 2001, and with intensified efforts over the past two years, the AU Commission and NEPAD have mobilised African stakeholders to develop a common African position on the aid effectiveness debate.¹⁸ This was formalised in November 2010 in the 'Tunis Consensus', which calls for a shift of focus away from aid effectiveness to a broader agenda of development effectiveness.

The Tunis Consensus asserts that aid is a means, not an end in itself. If aid is to be truly effective, it must progressively drive itself out of a job. In the Tunis Consensus, African policymakers state that development cooperation should unleash partner countries' capacities and resources. They express a vision of African development that encompasses building capable states, developing democratic accountability, establishing productive state-society relations, and promoting South-South cooperation. Although it remains to be seen if Africa itself can live up to this challenge, the future sketched out in the Tunis Consensus is one of promoting regional economic integration, embracing new development partners and outgrowing aid dependence.

Many of these ideas are reflected in the EU Common Position for the Fourth High Level Forum on Aid Effectiveness¹⁹ and were also picked up in the declaration that emerged

from the Forum held in Busan, South Korea, in late 2011. The 'new deal' for fragile states that was agreed, also shows new confidence in the way the G7+, led by Timor Leste but with active participation from African states such as newly independent South Sudan, have appropriated for themselves and used to their advantage, a term that several years ago was not popular in Africa

Domestic resource mobilisation

Strong economic performance has enabled African governments to put domestic resource mobilisation higher on their agendas. Greater fiscal autonomy would release African countries from the vagaries and volatility of aid. It could also open a fast track to strengthened accountability between governments and citizens. However, African countries face significant challenges in raising domestic resources: resistance from elites, rent-seeking behaviour, reliance on a narrow tax base, limited administrative capacity, uncoordinated support from development partners, a vast informal sector, and difficulties or reluctance to effectively tax extractive industries.

In spite of these obstacles, some African countries are making progress.²⁰ Their efforts are receiving support from a number of global institutions. The EU has pledged support to 'tax policy, tax administration and tax reforms, including the fight against tax evasion and harmful practices'.²¹ At the recent G20 in Cannes, world leaders urged multinational enterprises 'to improve transparency and full compliance with applicable tax laws'.²² This call was the first of this kind. Events in 2012 will demonstrate whether the parties succeed in delivering on their demands and commitments.

Reducing aid fragmentation

While some African actors take steps towards more financial independence, there is also a need for donor action to simplify the management of aid. Aid fragmentation is a serious problem that donors must address. The African Union now has more than 30 cooperation partners and 26 funding mechanisms, many with differing reporting requirements. Looking at European funding only, the AU Peace Fund receives contributions from 14 different bilateral and multilateral envelopes.



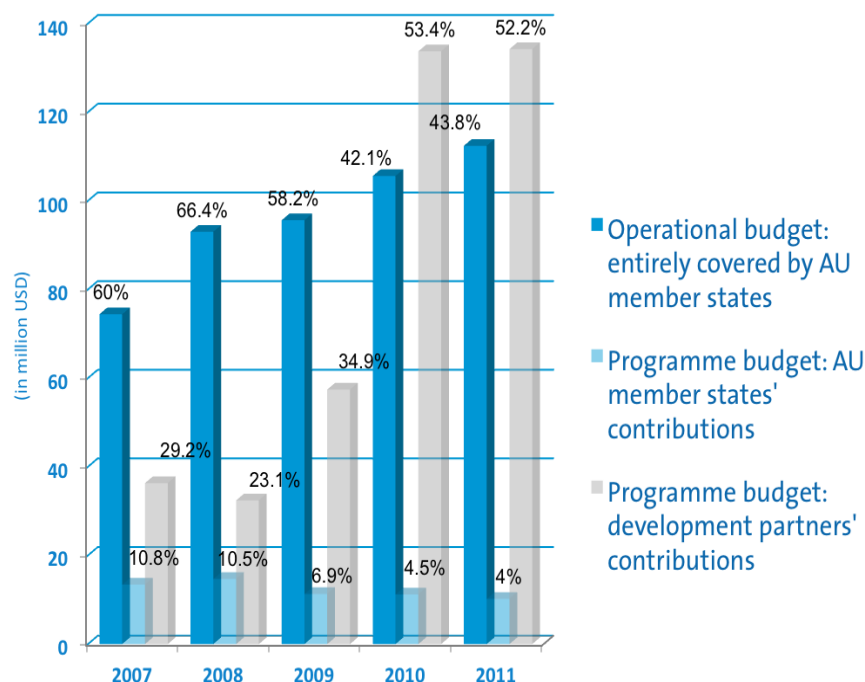
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| <p>November</p> <p>Elections in the USA (6 Nov) 5th Ministerial Meeting of the Forum on China-Africa Cooperation (FOCAC), Beijing COP 18, Qatar (26 Nov-7 Dec),</p> | <p>December</p> <p>First commitment period of the Kyoto Protocol expires (31 Dec)</p> | <p>General events</p> <p>Africa-EU Summit, Brussels MDG Review Summit Elections in Germany Second Turkey-Africa Cooperation Summit</p> | <p>2014</p> <p>CAP Reforms to come into effect (1 Jan) Entry into force of the EU's MFF 2014 - 2020 (1 Jan) EC deadline for EPA Market Access Regulation 1528 (January)</p> |
| <p>2012</p> | | <p> Irish and Lithuanian EU Presidencies</p> | <p> Greek and Italian EU Presidencies</p> |
| <p>2013</p> | | <p>2014</p> | |

Chart 1: AU Budget Structure



Source: Adapted from Kouassi (2011)²³

The problem is made the more urgent by AU reliance on donor funds for its directly managed programme activities. The relative importance of external funding in the AU budget becomes clear if we distinguish between the operational budget and the programme budget. AU membership fees currently provide for the full operational budget. But only about 5% of the programme budget is funded through member contributions. This means that almost all AU programme and project funds come from international partners (chart 1).

Africa and Europe have long acknowledged the administrative burden of uncoordinated funding provided by multiple donors. With the launch of the JAES in 2007, they committed to progressively establish a pan-African financial support programme. This commitment, however, came just after finalisation of the EU's last multi-annual budget (2007–2013). Discussions up to now have therefore centred on the possible shape and form such a programme might take. In 2010, the African side formulated a proposal for an African Integration Facility (AIF) alongside a request for support to regional integration.

With the next EU multi-annual budget now under discussion and key decisions to be taken in the course of 2012, the EC just issued a proposal for the creation of a Pan-African Programme, an EU financial envelope under the Development Cooperation Instrument (DCI) for the new EU budget to overcome the lack of

a financial instrument dedicated to the implementation of the JAES only. While this is different from the African AIF proposal it can be seen as a substantial step forward in the EU's commitment to "treat Africa as one" even though the European Neighbourhood Instrument (ENI) to cover North Africa is still planned in the 2014-2020 budget. Also substantial activities of the JAES like the APF are likely to continue being funded through the EDF that covers all ACP-EU cooperation generally.

The new EU budget will only enter into force in 2014 but is supposed to be adopted in 2012 which will therefore be a crucial year for negotiations. Also it will be interesting to see how the African request for the AIF is picked up at the next Joint Task Force Meeting. The open question of ownership, in terms of both content and financial support from African member states and the RECs, and management of the fund still need to be addressed. This is particularly important given the long term goal of such a facility can only be to stimulate a process leading to eventual independence from donor funding.

Regional Integration and Intra-African trade

The somewhat neglected issue of trade within Africa is crucial to build on Africa's recent economic progress. The theme of the January 2012 AU Summit, 'Boosting Intra-African Trade', underscores the rising prominence of this topic. Alongside a raft of initiatives and proposals ranging from trade finance to infrastructure, leaders at

the Summit are expected to announce the 'fast-tracking' of an Africa-wide continental free-trade area (CFTA) by 2017. This will build upon efforts already under way within the various regional economic communities. A number of AU member states will come to the 2012 Summit in a position of economic strength as reforms of the business environment at home bear fruit.²⁴ But while African countries have been buoyed by increased investment and high global commodity prices, trade among themselves remains low, representing only some 12% of the total. This is well below the trend elsewhere. Certainly it is a key contributor to Africa's lagging productivity and lack of export diversification. When African countries do trade among themselves, transactions tend to involve manufactured products. Food security would also be enhanced by more regional trade. This offers yet another strong rationale for pursuing regional integration as a way of fostering greater African resilience. Moreover, as Africa's middle class grows, consumer demand will increase, raising the potential for greater intra-African trade.

Yet, when it comes to ambitious schemes to integrate Africa economically, and ultimately politically, the continent has been there before.²⁵ To be credible and convince an increasingly well-informed business sector, authorities will need to capitalise on the political momentum of the 2012 AU Summit and move quickly to flesh out technical details. A key challenge is to balance the objective of long-term continental integration with more immediate, practical concerns. A first step in this direction is to cut red tape at borders. Practical obstacles will not be resolved merely by an AU political declaration, which has neither an enforcement mandate nor capacity to implement large programmes involving member states. Though proposals have been tabled for new continental institutions to discuss and monitor trade, the impact of these is likely to be limited. The real business of implementation occurs, and often stalls, at the level of national governments.

Some RECs are not moving fast on the integration issue. But there is hope for meaningful progress soon. Twenty-six countries in eastern and southern Africa are in the process of negotiating a potentially ground-breaking 'tripartite' agreement on trade. The process is now entering a technical phase, and is scheduled for completion in early 2013.²⁶ In West Africa, progress on trade depends on resolving outstanding issues, such as a common ECOWAS tariff, and finding a solution to the problem of selective EPA membership, which poses a real threat to recent gains. All regions are being challenged to put robust mechanisms in place to ensure implementation of commitments. Options range from fiscal compensation and adjustment support

funds, to frameworks for resolving disputes and sanctioning non-compliance. Equally important is to continue tackling non-tariff barriers and infrastructure gaps across the continent. A combination of targeted AfT and wider financial resources could boost infrastructure and alleviate bottlenecks in key trade corridors.

Food security

Global food prices rose to unprecedented highs from 2008 to 2011,²⁷ and price volatility is expected to remain a feature of agriculture markets into the future.²⁸ The food crisis in the Horn of Africa is the latest reminder of the tragedy of poor governance, structural neglect of agriculture, inadequate supply, limited access to agricultural products and unpredictable food prices. Elsewhere, a new alert has been issued for parts of the Sahel. Yet the global failure to address the complex socio-political roots of food insecurity continues and Africa's agricultural development will therefore remain high on all agendas in 2012.

Significant multilateral decisions were taken in 2011 to improve Africa's food security. Effectively implementing these at the regional and national levels is the next task. The G20 is moving forward with a proposal by its agriculture ministers to set up a pilot emergency food reserve for West Africa. Implementation will probably begin in 2012. This will require ECOWAS and its members to coordinate existing reserves and create an appropriate governance mechanism to bring food supplies to people in need during shortages. The Comprehensive Africa Agriculture Development Programme (CAADP) offers new opportunities to move away from business as usual.

As a home-grown framework, it provides a vehicle for national governments and regional economic communities to initiate and drive national and regional agriculture programmes. The NEPAD Planning and Coordination Agency (NPCA) has stressed the need for national governments to become more accountable to their citizens and farmers rather than to the development agencies that finance the agricultural sector.²⁹ In the current climate, African self-reliance becomes even more relevant as donor governments will be compelled to cut aid budgets. African states and economic communities will have to look beyond traditional finance and explore new sources of support for agricultural development and regional food security.

Most African actors agree that regional integration is a key entry point for facilitating agricultural growth. Nonetheless, national and regional trade and agriculture initiatives still tend to be seen as independent processes. This could change as deliberations progress towards regional 'CAADP compacts' for regional harmonising of agricultural and trade policies. Efforts in

eastern and southern Africa (involving EAC, SADC and COMESA) are especially promising. CAADP is a major step towards putting Africa in the driving seat and an opportunity not to be missed.

Africa's path ahead

The past year has been an encouraging one for Africa. Nonetheless, 2012 will be decisive in translating the positive signs into concrete development results. Moreover, while there are clear signs of progress, not all countries are doing well. In many places, positive developments are still undermined by corruption, non-benevolent elites, poor governance, and growth that is far from inclusive. Many Millennium Development Goals are still far from met. Inter-institutional rivalries and coordination problems continue, and only inconsistent progress is made in implementing regional integration. These caveats aside, the EU has a newly self-confident partner in Africa and this offers new opportunities for formulating policies that incorporate the values and interests of both.

EU interests as the overarching driving force

Interests have always driven external action to some extent. In the current political-economic climate, the EU is articulating its own interests more boldly than before. Entering 2012, it is clear that the financial crisis will have a major impact on member states' positions. This will cast a long shadow over the EU budget negotiations. The EC, for its part, has already chosen the path of differentiation in aid and trade policies, as illustrated by its reform of the GSP. It has also adopted a 'raw materials strategy', meant to secure Europe's supply of critical raw materials. On the external action front, the EEAS's strong statement of EU interests is exemplified by its integrated strategies for the Sahel region and the Horn of Africa.

Negotiating a budget for the Union

The coming year will be crucial in negotiation of the new EU budget – the Multi-annual Financial Framework (MFF) 2014–2020. The financial crisis and austerity measures across Europe set a sober mood for these talks. Nonetheless, the EC issued a proposal in June 2011³⁰ (chart 2) to step up spending on EU external action. Expenditure under the heading 'Global Europe' is € 61,9 billion in the proposal, an increase of more than 2% over 2007–2013. Beyond the MFF, the EC has proposed allocating some € 34,2 billion to support the African, Caribbean and Pacific Group of States (ACP) through the 11th intergovernmental European Development Fund (EDF) (2014–19). This is € 11 billion more than in the previous period (2008–2013).

The EC ambitions will not survive intact the negotiations with EU member states and the EP. Some member states have already called for curtailment of EU spending in line with austerity measures at home. Whether this will disproportionately affect the budget for the 'Global Europe' heading and the EDF is unclear. Broader questions are being raised on EU official development assistance (ODA). Some member states oppose the Commission's proposal that 15% of EU ODA be channelled through the EU budget and the EDF, as in the past³¹, and would prefer to keep more for their own bilateral programmes. Concerns have also been raised about the overall level of development assistance. According to recent figures, ODA is no longer increasing for the EU as a group. Countries badly hit by the euro crisis will find it particularly hard to justify ODA increases. For Europe as a whole, it may be difficult to prevent budgetary pressures from being translated into reduced development means and watered down global ambitions.

The EU institutions will have to find common ground between member states and the EP on the MFF by the year's end. Adoption of legislative proposals for the budget's financial instruments and programming is scheduled for 2013, with implementation due to start in 2014.

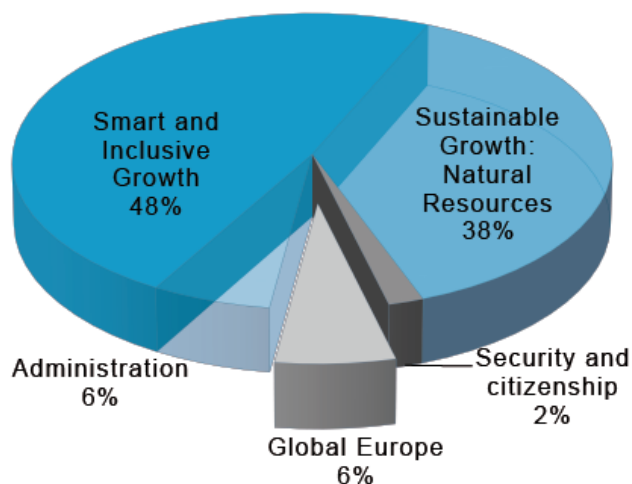
Common Agricultural Policy

The EC's reform proposals³² for the Common Agricultural Policy (CAP) post-2013 do not give the impression that Europe is questioning old certainties. Here, EU interests clearly rule as they did before. The current structure is maintained, with the majority of funds being direct payments to European farmers. NGOs and academics have long called for a 'big bang' approach to change, leading to a significant reduction in direct payments and more targeted measures in line with global sustainability concerns. This path is now unlikely. Instead, the EC has proposed small steps to make the CAP more market oriented.

With this latest reform, the EU ostensibly seeks to address the challenges of food security, climate change and sustainable management of natural resources, while making the CAP more effective and helping European farmers to deal with unstable prices. The current debate on food security is however almost purely eurocentric.³³ A more global perspective is urgently needed.

Overall EU production is likely to fall slightly under the current proposal, due to greening measures in combination with redistributions of direct payments to less productive areas. These effects will however be shaped by market conditions.³⁴ Emerging economies may be able to benefit from any such reductions.

Chart 2 : MFF proposal 2014-2020



EC proposal for the Multi-Annual Financial Framework 2014-2020

Amount (in € million)

| | |
|---|------------------|
| 1. Smart and inclusive growth (e.g. cohesion funds) | 490,908 |
| 2. Sustainable growth: natural resources (e.g. CAP) | 382,927 |
| 3. Security and citizenship | 18,535 |
| 4. Global Europe | 61,973 |
| 5. Administration | 62,629 |
| Total within the MFF | 1,016,972 |
| 11th European Development Fund | 34,276 |
| Grand total (MFF plus EDF-11) | 1,051,248 |

Regarding cotton, for which payments are linked to production, the EC proposes reducing production incentives. But coupled support will continue to give European cotton farmers an unfair advantage over developing country producers, especially those in West Africa. Additional proposals clear the way for coupled payments to be introduced or reintroduced on other commodities. The EU moreover has indicated no intention to eliminate its remaining export subsidies.

Overall, the proposed measures have limited implications for developing countries, though net effects differ from country to country and from commodity to commodity. Careful and consistent monitoring will be needed to understand the CAP's implications in different country contexts³⁵ and to ensure that the EU's interest in protecting its farmers does not disproportionately harm developing countries.

For the first time, the CAP will be subject to the ordinary legislative procedure (formerly called 'co-decision') between the Council of the EU and the EP. This gives the EP more weight in the decision-making process. The first parliamentary reading of the CAP measures, scheduled for the second half of 2012, will therefore be of particular interest.

The Generalised System of Preferences

In 2011 the EU started the reform of its flagship instrument to link trade and development, namely the Generalised System of Preferences (GSP). Until now, the scheme provided unilateral tariff concessions to all developing countries, irrespective of their level of development. This is proposed to change in 2012, when upper middle income countries will become ineligible for preferences under the scheme. Europe has stressed that this move will benefit poorer developing countries, by 'focusing' preferences on those most in need.³⁶ Further, the reforms leave unchanged the amount of trade preferences

granted, perhaps because the political environment in some EU member states is uncondusive to a unilateral opening of markets.

Reform of the GSP follows the current orientation of European trade policy, which is strongly geared towards bilateralism, especially with the emerging economies. By barring countries like Malaysia and Brazil from the GSP, the EU sends a strong signal to emerging developing countries that there will be a price to pay for preferential access to the European market: reciprocity. The world's shifting economic centre of gravity, combined with a clear policy orientation towards reciprocal free trade agreements, has influenced this reform. However, on the African continent, Namibia, Botswana and Gabon would suffer by being excluded from the GSP. Should they not sign an Economic Partnership Agreement (EPA), they will lose any kind of preferential access to the EU market.

This is another area in which the EP is now on equal footing with the EU Council. The EC's GSP proposal is set for a vote in plenary in early 2012. This reform stands as a test of whether developing country stakeholders have adapted to the post-Lisbon environment and found ways to make their voices heard. It will also demonstrate how Europe reconciles its development agenda with its desire to open markets in the south to its own exports.

Economic Partnership Agreements

When pushing for its interest in the recently revived Economic Partnership Agreement (EPA) negotiations, the EU needs to adapt to the changing African context. After a decade of slow negotiations, the EPA saga has taken a new, but not entirely unpredictable, turn. The EC has set a 2014 deadline for 'market access regulation 1528' (MAR 1528), which grants ACP countries temporary preferential access to the European market. Countries deemed as not showing significant

willingness to ratify and implement their interim EPAs will see their duty-free and quota-free market access ended.³⁷ MAR 1528 was originally put in place as a bridging measure, providing a level of stability as the ACP regions and the EU negotiated the transition from Lomé preferences to EPAs. Putting a deadline to a measure that was always meant to be temporary, and whose WTO compatibility is dubious, is understandable from the EU side, especially given the slow pace of negotiations.

Yet most of the affected countries are simultaneously engaged in regional integration processes. Some African countries object that the 2014 cut-off offers little time for sequencing both processes. Integration takes time, something that the EU knows all too well. Furthermore, reaching common positions within regions on their respective EPAs is a prerequisite for successful regional integration. Given the recent impetus on the continent towards regional integration, the stakes are now higher than simply safeguarding preferential EU market access.

Times have changed since 2008, when the EU introduced MAR 1528. Attention in Africa has shifted towards the emerging economies. Europe, in the midst of a political and economic crisis, has seen its leverage reduced. Both continents are different, and the EU has to acknowledge this as it considers the way ahead in EPA negotiations.

The EP has yet to discuss the matter, but like the upcoming reform of the GSP it will probably vote on this measure in 2012. As with the GSP and CAP, the new role of the EP will be scrutinised. This offers another opportunity for stakeholders to influence the course of negotiations.

Integrated strategies for security and development

The new European mantra of 'value for money' is clearly visible in the way it is

engaging with volatile African regions that could pose a threat to European interests. In October 2011, the EU Council adopted an integrated strategy for security and development in the Sahel region. In November, it approved a similar strategic framework for the Horn of Africa.

Dangers emanating from these regions – like terrorism, drug trafficking, human trafficking and other organised crime like piracy – are EU priorities. The Sahel strategy has a relatively narrow focus on security and the EU's interests, whereas the framework for the Horn is slightly more comprehensive in terms of traditional development approaches. Nevertheless, the extensive focus on security in the latter represents a shift in the EU's approach towards the Horn of Africa, which since 2008 has hosted the first EU naval operation EU NAVFOR Somalia. Such linking of security and development agendas could be seen as a step towards more coherent EU external action. Yet some in the development sector are concerned that progress towards development goals will be undermined. A legitimate question is whose security the new frameworks aim to promote, that of the EU and EU citizens or the state security of EU partners or individuals in the region?³⁸

Another commonality of both strategies is that they were drafted just by the EU. Both frameworks expect local and regional actors to interact on the identified policy objectives, but African actors were not consulted. This is at odds with the 'joint partnership' approach of the JAES and EEAS public statements about putting 'the African people at the heart of policy'.³⁹ Moreover, the EU has repeatedly expressed its interest in assisting the Gulf of Guinea in maritime security.⁴⁰ Proposals to have the Sahel region and the Gulf of Guinea included in the JAES's second action plan failed at the last Africa-EU Summit, adding to concerns regarding mutual interests on EU strategies for these regions.

The EU often expresses specific interest in a particular region by appointing a special representative. As such, the new strategy for the Horn of Africa went hand in hand with creating a new special representative post for the region. After some hesitation a new special representative for the Great Lakes was also appointed. The challenge for Africans in these regions will be to push for their own interests vis-à-vis the EU's interest in security.

Action plan on fragility, security and development

The security-development nexus plays a role in strategies on state fragility as well. Among EU officials, and most in recently the EC's 'Agenda for Change', there is talk of a new attempt to formulate an EU Action Plan on fragility, security and development for endorsement in 2012. Such an Action

Plan could provide indications of how the new European institutional structures intend to reconcile security-related values and interests. The Action Plan is expected to be based on a 2009 draft Action Plan on fragility that was put forward jointly by the EC and Council of the EU but then shelved.

A new Action Plan will likely be wary of the divide between EU values and interests and the needs of people living in contexts of fragility. There are many lessons to build on from failed state-building approaches and other interventions of EU member states in situations of fragility. Its added value could be to base programming and actions on thorough conflict analyses and key academic contributions on the topic. Given the G7+ emphasis on partnership and reciprocity, African countries falling under the broad and changing definition of a 'fragile context' might have a chance to express their needs and priorities more vocally before the new EU Action Plan is endorsed.

Climate change negotiations

The EU has a keen interest in a renewed international agreement on climate change. On 31 December 2012 the first commitment period of the Kyoto Protocol expires. In other words, the only international framework imposing binding targets for greenhouse gas emission reductions on developed nations will then no longer hold. The 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change was held in Durban, in late 2011 without reaching a new legally binding agreement. Yet the outcome, a political declaration by all 194 parties, does mean all countries, developed and developing alike, acknowledge responsibility for climate change and sets out their intention to come to a legally binding agreement by 2015 which would enter into force in 2020. Unlike in Kyoto, the plan is that the new agreement will no longer distinguish between developing and developed countries. This distinction which meant cuts in CO2 emissions were required from developed nations, but not from top polluters like China, has just led Canada to withdraw from Kyoto prematurely. At the same time the long timeframe until a new agreement is effective entails the major risk of missing the window to avoid dangerous climate change levels.

On a more positive note, COP 17, however provided an example of how the EU – in its own interest – aligned with developing countries and small island states to enable the creation of the Green Climate Fund that funds activities for mitigation, for adaptation and technology transfer. The next international fora at which climate change will be discussed are the Rio+20 Conference in June and COP18 in November 2012. Further, EU statements⁴¹ on climate change are expected in the lead-up to these meetings.

Rethinking Europe's partnership with Africa

Many African countries celebrated half a century of independence in 2011. Over those 50 years substantial changes took place in Europe and in Africa, not least the creation of pan-continental institutions. Geopolitical events like the Cold War and more recently the War on Terrorism now mark Europe-Africa relations as much as their historical ties. Development paradigms have also changed. In terms of aid over € 56 billion⁴² has flowed from Europe to Africa. Values and interests have played a role throughout. While progress has been achieved, the effectiveness of aid to Africa is currently challenged by the example of the emerging economies. Their economic growth, unrelated to aid agendas and development paradigms, raises the possibility of unpredicted change and underlines the importance of self-reliance and self-determination.

'All human beings are born free and equal in dignity and rights. They ... should act towards one another in a spirit of brotherhood.'

The Universal Declaration of Human Rights, Art. 1

Their example provides new impetus for African actors in search of a path to growth and autonomy. Today's dominant development paradigm therefore has more room on the driving seat and focuses on the idea of partnership, while African countries seek to learn from their fellows in the South.

In terms of values there is a clear EU commitment to peace and solidarity, better donor coordination, regional integration, human rights, poverty reduction and support to the world's poorest countries. There is also a commitment to put people ahead of institutions. New, however, is that this European commitment is conditional on partner countries' pledges to uphold values

'The [European] Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.'

Treaty on the Functioning of the European Union, Art. 208,1

of good governance. In other words, the way that the EU projects its own norms abroad is changing. A more up-front conditionality is now part of the foreign policy mix. Committed partners are to be rewarded with more resources. If partners break their commitments, the EU clearly states its intention to reduce or revoke funding or other benefits, like market access.

Many questions remain. How will the EU ensure consistency across various areas of external action? Will the EU really put its values before its interests? How will Europe live up to its commitment to Policy Coherence for Development? Is the European understanding of 'good governance' identical to that in Africa, or does Europe risk instituting an overly rigid one-size-fits-all cooperation framework? African partners may perceive the pursuit of values as reminiscent of unwelcome European approaches of the past.

These questions are all the more pertinent as the African continent moves towards greater self-reliance. In 2011 much real progress was made. A new AU consensus on African shared values seems near. Africa may soon be setting its own governance standards, potentially presenting its own governance assessment tool for use by international partners.

African institutions are putting regional integration at the forefront of their strategy to achieve more in terms of trade, good governance, peace, food security and resource mobilisation. Many Africans are determined to grow out of aid and

'Africa's future depends upon its ability to fund its development from a variety of sources. While we recognise the continuing importance of aid to Africa's development, we also note that effective aid is aid that minimises dependence. African countries need to grow their way out of aid dependence by making full use of the opportunities offered by international trade and investment and by expanding their domestic capital markets.'

Tunis Consensus, 2011

strengthen South-South cooperation. Yet a key issue remains domestic resource mobilisation, be it at the national, regional or pan-African level. Africa must be able to sustain and make decisions on its own initiatives. Efforts are under way to remedy situations like that of the APSA, which is starved of AU member state financial support. Concrete steps are being taken: establishment of a CFTA by 2017, formulation of a 'tripartite' agreement to harmonise agriculture and trade policies for the whole of eastern and southern Africa, and building African food security via the CAADP.

On its way to achieving these results, Africa could well use support in regional integration and in simplified aid management. Europe could make a great contribution, through better aid coordination and complementarity among European states, a well-thought through financial instrument dedicated to pan-African programming, and support for Africa's Integration Facility proposal. The

coming year will be an important one for defining and consolidating these initiatives. Stakeholders should pay particular attention to the evolution of the Pan-African Programme proposal in the MFF negotiations during the year.

Like any sovereign actor, the EU's external action has never been interest-free. Europe has stated its commitment to pursue good governance, peace and solidarity via values-based policies and financial contributions. But as in the past this aim could easily be undermined by EU interests. Examples are the continuing protection of European

'The [European] Union shall define and pursue common policies and actions ... [to] safeguard its values, fundamental interests, security, independence and integrity'

The Lisbon Treaty, Art. 21,2(a)

farmers in the on-going reform of the CAP, the impending loss of preferential market access for some African countries due to GSP reform, pressure to strengthen international trade stemming from the EPAs to the detriment of regional integration, and the possibility of European security overshadowing long-term development. European interests in other areas too, such as raw materials, migration, arms trade⁴³ and energy⁴⁴ are likely to conflict with the values agenda.

The great benefit of the EU voicing its interests more boldly lies in it being a more predictable and transparent partner. In the history of international relations divisions over interests are the usual starting point for negotiations. Rather than being taken aback by Europe's new boldness in stating interests, Africa could see Europe's assertiveness as an opportunity to negotiate more freely for its own interests. Greater clarity of purpose on both sides could provide a strong common basis for identifying mutual interests.

With a range of new actors at hand, Africa's position has been strengthened. Africans must decide which partner can best serve their various interests. The EU is a good candidate to support capacity in financial administration, regional integration, good governance, and peace and security. To be recognised as such, the EU should stand by its partnership approach and avoid

'The [European] Union shall define and pursue common policies and actions... [to] encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade'

The Lisbon Treaty, Art. 21,2(e)

unilateral initiatives towards the continent. In the face of shrinking budgets, the EU has much to gain in Africa's bid for autonomy. For their part, Africans may perceive EU support as coming at too high a price in terms of values conditionality. In that case, it may choose other partners to rely on.

Some applaud an EU move to increase conditionality in its ODA. Stricter aid policies play well with European taxpayers⁴⁵ and political leaders know that Europe can now afford less in terms of aid. Making the aid that the EU can provide tougher to get is one way of reducing demand and pushing others to pick up some of the burden. The depth of the euro crisis suggests that after a decade of rising European ODA we are now entering a period in which EU ODA will stagnate, though some member states may still manage increases. Further details regarding the Green Climate Fund to cover the costs of climate change also need to be clarified. At some stage Europe, along with other developed countries, will need to meet that obligation. Funding requirements for environmental and other global public goods remains high. With the current financial crisis, the EU is unlikely to be able to contribute as much as in the past. Old certainties therefore are changing and those that have relied on European support will have little choice but to look elsewhere.

In 2011 the EEAS and EC proposed a strong values-based approach. Now they need to show that implementation is feasible. With many decisions still to be formalised, the EP, traditionally a more values-focused EU actor, could tip the balance to a different reconciliation of values and interests. Many key proposals will – for the first time ever – pass through the EP this year. In terms of strategic focus, telling signs are the appointment of a new EU Special Representative to the Great Lakes and creation of special representative positions for the Horn of Africa and the Middle East and North Africa. Modernisation of EU development policy and the new approach to budget support will be discussed in the EU Council in May 2012. The presentation of the EU's JAES review in January will be a chance to gather African feedback.

The triangle of EU values, EU interests and a more self-reliant Africa opens a number of options and scenarios. Partners on both continents will be engaging afresh, setting new directions in light of the changing context. While some old certainties will end, others need to be reaffirmed.

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LIST OF ACRONYMS

| | | | |
|--------|--|----------|--|
| ACP | African, Caribbean and Pacific Group of States | EDF | European Development Fund |
| AfT | Aid for Trade | EEAS | European External Action Service |
| AIF | African Integration Facility | EP | European Parliament |
| APF | Africa Peace Facility | EPA | Economic Partnership Agreements |
| APSA | African Peace and Security Architecture | EU | European Union |
| ASF | African Standby Force | EUNAVFOR | European Union Naval Force |
| AU | African Union | EUSR | EU Special Representative |
| AUC | African Union Commission | GSP | Generalised System of Preferences |
| CAADP | Comprehensive Africa Agriculture Development Programme | IGAD | Intergovernmental Authority on Development |
| CAP | Common Agricultural Policy | JAES | Joint Africa-EU Strategy |
| CFTA | Continental Free Trade Area | MFF | Multiannual Financial Framework |
| COMESA | Common Market for Eastern and Southern Africa | NASBRIG | North African Standby Brigade |
| DCI | Development Cooperation Instrument | NEPAD | New Partnership for Africa's Development |
| DEVCO | Development and Cooperation Directorate General – EuropeAid of the European Commission | LPI | Land Policy Initiative |
| DRM | Domestic Resource Mobilisation | ODA | Official Development Assistance |
| EAC | East African Community | PSO | Peace Support Operations |
| EC | European Commission | REC | Regional Economic Community |
| ECOWAS | Economic Community Of West African States | SADC | Southern African Development Community |
| | | UN | United Nations |
| | | WTO | World Trade Organisation |

INFORMATION SOURCES

ECDPM's weekly e-newsletter - www.ecdpm.org/weeklycompass

ECDPM's blog on the EU's international cooperation www.ecdpm-talkingpoints.org

African Union - www.africa-union.org

The Tunis Consensus: Realising Africa's own Vision for Development www.africa-platform.org/resource/tunis_consensus

Official website of the Joint Africa-EU Strategy www.africa-eu-partnership.org

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